

Message Text

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11

ORIGIN EB-11

INFO OCT-01 ARA-16 EUR-25 ISO-00 COME-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 AID-20 FRB-02 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 FEA-02

DOTE-00 FMC-04 STR-08 AGR-20 /212 R

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ARA/CAR:HWAUCHOPE

COM/BIC:SJOHNSON

ARA/ECP:EMCOHEN

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R 042109Z APR 74

FM SECSTATE WASHDC

TO AMCONSUL CURACAO

AMCONSUL MARTINIQUE

INFO AMEMBASSY THE HAGUE

AMCONSUL PARAMARIBO

UNCLAS STATE 068227

E.O. 11652:N/A

TAGS: ETRN, ETRD, NA, FW,US

SUBJECT:DELAYS IN SHIPPING OF U.S. GOODS

REF: CURACAO 161; MARTINIQUE 138

1. INVESTIGATION OF THE PROBLEM RAISED REFTEL INDICATES
NO PORT CONGESTION (BACK-UP OF VESSELS AWAITING BERTHING
TO LOAD OR UNLOAD) AT MIAMI, BUT BACKLOG OF CARGO DESTINED
FOR CARIBBEAN POINTS RESULTING FROM UNAVAILABILITY OF
VESSEL SPACE. BOTH SEALAND AND PAN AMERICAN MAIL/ATLANTIC
LINES REPORT U.S.-CARIBBEAN OUTBOUND TRADE EXPERIENCING
UNEXPECTED HEAVY TONNAGE MOVEMENTS FROM U.S. GULF AND
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ATLANTIC PORTS. THE SAME IS TRUE FOR OTHER U.S. TRADES

AS WELL. THE TWO LINES ATTRIBUTE SITUATION TO INCREASED COMPETITIVENESS OF U.S. GOODS AND INVENTORY BUILD-UP REFLECTING INFLATIONARY PRESSURES AND POSSIBLY CONCERN OVER A POSSIBLE ILA STRIKE IN OCTOBER. INCREASED CARGO MOVEMENTS RESULTING FROM STRIKE CONSIDERATIONS, HOWEVER, ARE NORMALLY NOT NOTED THIS FAR IN ADVANCE.

2. PAN AMERICAN/ATLANTIC IS ATTEMPTING TO MAXIMIZE USE OF ITS 14 VESSEL FLEET SERVING U.S. ATLANTIC PORTS AND THE CENTRAL AMERICA/CARIBBEAN AREA. COMPANY IS ALSO

EXPERIENCING DIFFICULTY IN EXPANDING FLEET TO MEET DEMAND DUE TO TIGHT VESSEL MARKET. LINE IS PRESENTLY FACED WITH A TWO SAILING BACKLOG AT MIAMI. LONGER DELAYS HAVE BEEN NOTED IN THE MIAMI-CURACAO RUN AS A RESULT OF DOCUMENT DELAYS OR CONTAINERS ARRIVING AT MIAMI FROM ELSEWHERE IS THE U.S. WITHOUT PRIOR BOOKINGS HAVING BEEN MADE BY SHIPPER OR FREIGHT FORWARDER. LATTER POSED NO PROBLEM PREVIOUSLY AND WAS ROUTINE OCCURENCE AS VESSEL SPACE WAS READILY AVAILABLE. CARGO PRESENTLY ARRIVING IN THIS FASHION, HOWEVER, CAN EXPECT DELAYS UP TO 60 DAYS. IN AN EFFORT TO ALLEVIATE THIS PROBLEM PAN AMERICAN/ATLANTIC HAS INFORMED FREIGHT FORWARDERS OF SITUATION AND REQUESTED DILIGENCE ON THEIR PART. SEALAND REPORTS ITS WEEKLY CONTAINER SERVICE TO THE NA WITH TRANSSHIPMENT AT PUERTO RICO EXPERIENCING A ONE SAILING CARGO BACKLOG AND THAT SERVICE HAS BEEN REDUCED TEMPORARILY TO ONE SAILING EVERY TEN DAYS.

3. WHILE THIS IS NOT AN OPTIMUM SITUATION, IT WOULD APPEAR THAT ANY EXCEPTIONAL EXPENSES BEING ENCOUNTERED BY NA IMPORTERS BECAUSE OF DELIVERY DELAYS AND STORAGE COSTS AT MIAMI COULD BE LESSENED OR PREVENTED ALTOGETHER IN THE SHORT-RUN BY TIMELY PREBOOKING, UTILIZING OTHER LINES AND/OR SHIPPING THROUGH PORTS OTHER THAN MIAMI. DEPARTMENT UNDERSTANDS THAT THE MIAMI-CURACAO CONTAINER RUN IS POPULAR, NOT SO MUCH BECAUSE OF PRICE, BUT BECAUSE OF DIRECT SERVICE WHICH PRECLUDES THE NEED FOR TRANSSHIPMENT AND THE RESULTANT DELAY ENROUTE. ACCORDING TO PAN AMERICAN/ATLANTIC, ITS TOTAL FREIGHT CHARGES IN MANY UNCLASSIFIED

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INSTANCES ARE EQUAL TO OR HIGHER THAN CONFERENCE RATES AFTER VARIOUS OTHER FEES AND CHARGES ARE CONSIDERED.

4. THE CARRIERS ARE FULLY COGNIZANT OF THE PROBLEMS BEING ENCOUNTERED BY LOCAL MERCHANTS AND THE POSSIBLE ADVERSE EFFECT DELIVERY DELAYS MAY HAVE ON FUTURE U.S. SALES AND THEIR SERVICE IN THE LONG RUN. HOWEVER, THE CONTINUING DELUGE OF CARGO, WHILE A GODSEND, HAS CON-

FRONTED THE LINES WITH DIFFICULT OPERATIONAL PROBLEMS
WHICH WILL REQUIRE TIME TO RESOLVE.

5. THE FOREGOING INFORMATION WAS COORDINATED WITH THE
WASHINGTON ACTION STAFF FOR THE ADDRESSEES' COMMERCIAL
ACTION PROGRAM. RUSH

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